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SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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Mideast

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Key stories in the media:  
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Israel Radio quoted Deputy State Department Spokesman Tom Casey as saying on Wednesday: "Our main focus at this point is to call on all the parties there [in the Gaza Strip] to refrain from violence. It is clear that everyone needs to work with President Abbas to calm

the situation down. It certainly is not helpful, again, for the aspirations of the Palestinian people to have this kind of internecine fighting going on." The radio and The Jerusalem Post also quoted Casey as saying: "This is something that does nothing to help that cause of the Palestinian people. Certainly it does not bring them any closer to achieving a Palestinian state that people want and desire." The Jerusalem Post reported that another State Department official told the newspaper that the recent Hamas attack on Fatah guards at the Karni Crossing "threatens the efforts of the US and international community to improve the economic and humanitarian conditions for the Palestinian people in Gaza." The Jerusalem Post quoted "observers" as saying that the violence between Hamas and Fatah hurts American efforts at mediation between Israelis and Palestinians.

All media led with the continuing Qassam rocket attacks against Sderot and other Israeli communities surrounding the Gaza Strip -- close to 30 rockets on Wednesday -- and their consequences. PM Ehud Olmert, Defense Minister Amir Peretz, and FM Tzipi Livni indicated that Israel would not sit idle in the face of the attacks. The media reported that, following a meeting of the principal cabinet ministers with senior defense officials on Wednesday, targeted killings would be renewed, though at this point they would not be directed against Hamas political leaders but rather against those directly involved in terrorism. The media reported that on Wednesday IAF jets bombed a Hamas headquarters in Rafah, killing four Palestinians and injuring approximately 20 others. All the injured were Hamas militants. In another raid that evening, the air force killed a Hamas militant on the outskirts of Gaza City. He was part of crew of Qassam rocket launchers. Makor Rishon-Hatzofe said that the GOI is considering introducing international forces to the Gaza Strip. Ha'aretz and Maariv reported that Defense Minister Peretz suggested to Olmert at the meeting that the residents of Sderot be evacuated. Ha'aretz wrote that Olmert only agreed to a "break" for the residents. All media reported that Russian-born business tycoon Arkady Gaidamak has added complexity to the debate by evacuating hundreds of Sderot residents to a Beersheva hotel.

Ha'aretz quoted Egyptian President Hosni Mubarak as saying on Wednesday, in talks with senior diplomatic officials, that the Egyptian Government is at a loss regarding the future of the Gaza Strip. Ha'aretz reported that Mubarak expressed great concern over the increasing strength of Hamas. Mubarak was quoted as saying that Egypt was making great efforts to end the Hamas government and support PA Chairman [President] Mahmoud Abbas and Fatah.

Ha'aretz reported that Illinois Senator Barack Obama has joined the ranks of legislators who are actively working to halt Iran's nuclear program. Obama was quoted as saying on Wednesday, in an interview with Ha'aretz: "Iran continues to be a major threat to both the US and some of our allies." In the interview, Obama called for an urgent escalation of economic pressure on Iran. Ha'aretz reported that he backed this up on Wednesday by announcing his Iran Sanctions Enabling Act. If the bill is passed, it will make it easier for investors to know which companies are economically involved with Iran and to act accordingly. The Jerusalem Post also mentioned Obama's introduction of the legislation. Ha'aretz said that Obama still supports talks with Tehran, but that he promises not to relent on stopping the Iranian enrichment program. "It is important to have low-level talks" with Iran even if the enrichment program is continuing, he was quoted as telling Ha'aretz, but high-level talks "will not be appropriate without some sense of progress" on enrichment. In the interview, the Senator called the Bush administration's talks with Iran over the issue of Iraq a "step in the right direction" that will "establish a pattern of dialogue" with Iran, and criticized the administration for not talking with Iran in the past few years. "We need to check" whether there are Iranian leaders with "a more sensible attitude" than the one expressed by their President, he was quoted as saying.

Leading media reported that on Wednesday the Knesset passed, in a first reading, a bill requiring a referendum for possible Israeli concessions on the Golan or Jerusalem. Two other bills obligating Knesset members to swear allegiance to Israel as a Jewish state and to its symbols were passed in a first reading. The media said that some Kadima and Labor Party Knesset members voted in favor of the moves.

Israel Radio reported that Masseb Bashir, a 25-year-old resident of Dir el-Balah in the Gaza Strip, was charged on Thursday in Jerusalem's District Court with gathering intelligence as part of a plan to assassinate PM Olmert. Bashir, whom the Shin Bet arrested in April, is an activist of the Popular Front for the Liberation of Palestine. Bashir had a valid entry permit into Israel due to his work with the organization Doctors Without Borders.

The Jerusalem Post quoted sources close to FM Tzipi Livni as saying that, if PM Olmert decides to appoint former justice minister Haim Ramon as minister in charge of negotiations with the Palestinians, she will block the move.

Ha'aretz reported that on Wednesday Shas party mentor Rabbi Ovadia Yosef once again had warm words for Shimon Peres, although he has still not promised the support of the 12 Shas Knesset members for the Vice PM's presidential bid. Yosef expressed Shas's uncommitted support for Peres to Ehud Olmert in what was the men's first meeting since Olmert became PM last year. The Jerusalem Post said that Shas may betray Peres again.

The Jerusalem Post reported that former US ambassador to Israel Martin Indyk told the newspaper that the Palestinians would consider a compromise deal on the "right of return to Israel" in exchange for the creation of a viable state in the West Bank. Indyk also spoke at a symposium at Tel Aviv University.

Malcolm Hoenlein, Executive Vice-Chairman of the Conference of Presidents of Major American Jewish Organizations, was quoted as saying on Tuesday, in an interview with The Jerusalem Post, that the US intellectual elite is being poisoned against Israel in the way the British elite already has been.

Israel Radio reported that Australian authorities released a British citizen who had completed half his prison sentence for attempting to attack the Israeli Embassy in Canberra.

Ha'aretz reported that on Sunday the Kinneret-Zmora-Bitan publishing house is set to release Yediot Aharonot journalist Ronen Bergman's "Nekudat Ha Al-Hazor" ("Point of No Return"). The book deals with Israeli intelligence work on Iran and Hizbullah. Bergman writes that ever since the Ayatollah Khomeini came into power in Iran in 1979, a secret war has been waged between Israel and Iran. The English translation rights for the new book have already been sold to Simon and Schuster. Ha'aretz said that the English-language edition will be geared toward an American audience.

In a letter to the editor of Maariv, Rabbi Dov Edelstein of Alfei Menashe, a West Bank settlement, compared the West Bank separation fence with the US-Mexico border fence. Among other arguments, Edelstein said that no Mexican trying to cross the border had planned to carry out suicide bombings.

Ha'aretz quoted former CIA Director George Tenet as saying in his memoir, "At the Center of the Storm: My Years at the CIA," that, during the 1980 Camp David negotiations, everyone shouted and not only Yasser Arafat acted crazy.

Ha'aretz reported that sources in Jerusalem predict that as a consequence of Israel's joining the OECD -- as a provisional member for the next nine to 12 months -- and of its economic achievements, three international credit rating firms (Moody's, Standard and Poor, and Fitch) are expected to upgrade Israel's international credit rating from A- to A.

The Jerusalem Post cited the Ministry of Industry, Trade and Labor as saying that the leadership committee of the European research and development project "Eureka" confirmed on Wednesday that Israel has been selected to lead the project from 2010-2011. Eureka is the world's largest R&D project, with the participation of 36 European countries. According to Eureka officials, the project is responsible for hundreds of new initiatives, worth over 1.5 billion euros.

Maariv reported that a famous Israeli-Arab restaurateur from Abu Gosh, near Jerusalem, might open a humus eatery in Baghdad.

Maariv printed the results of a TNS/Teleseker Polling Institute survey conducted among registered Labor Party voters, which shows a marked increase in support for MK Ami Ayalon in the party, even though the gap between him and Ehud Barak is projected to be very narrow in a first round of voting:

"Were elections for leadership of the Labor Party held today, for whom would you vote?" Ami Ayalon: 33.4 percent; Ehud Barak: 30.8 percent; Ophir Pines-Paz: 13.7 percent; Amir Peretz: 11.3 percent; Danny Yatom: 3.5 percent; 7.3 percent undecided.

"In case of a second round, for whom would you vote?" Ami Ayalon: 51 percent; Ehud Barak: 37 percent; 11.3 percent undecided.

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Mideast:  
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Summary:  
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The independent, left-leaning Ha'aretz opined in its lead editorial: "The fateful decisions about Gaza justify the swift establishment of a different government, with more reliable and skilled people in key positions."

The conservative, independent Jerusalem Post editorialized: " Hamas is to blame for both of the wars it insists on fighting, against Fatah and against Israel."

Diplomatic correspondent Ben Caspit wrote in the popular, pluralist Maariv: "Khaled Mashal wants to be chairman of the Palestinian Authority, nothing less. They smell the blood of Fatah in the water, and they do not care whom they kill."

Diplomatic correspondent Aluf Benn wrote in Ha'aretz: "It is difficult to talk about diplomacy as Qassam rockets are being fired at Sderot. But that is precisely the responsibility of the political leadership if it does not wish once again to embark on a war driven by fury and vengeance."

Gilad Sharon, son of former prime minister Ariel Sharon, wrote in the mass-circulation, pluralist Yediot Aharonot: "It is easier to explain power outages in Gaza to the world than to explain a takeover of the Gaza Strip or harm to civilian population."

Block Quotes:  
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#### I. "Protection and Afterthought"

The independent, left-leaning Ha'aretz opined in its lead editorial (5/17): "Both action and inaction have a price, but in the end both are supposed to be based on forethought. The Olmert government is not perceived by the public as worthy and serious. Defense Minister Amir Peretz is already packing for the Finance Ministry, or for home. Olmert, who is refusing to draw the necessary conclusions about himself from the Winograd Committee report, is scuffling with the state comptroller and under criminal investigation. The fateful decisions about Gaza justify the swift establishment of a different government, with more reliable and skilled people in key positions. The soldiers who in the end will be sent to Gaza, if the Palestinians do not come to their senses and hold their fire, and the civilians who will watch them and worry on the home front should be able to trust that the decision-makers have acted in good judgment."

#### II. "Punish Hamas"

The conservative, independent Jerusalem Post editorialized (5/17): "The beleaguered people of Sderot are demanding action, and they are right. The action, however, should not be what Hamas evidently wants to provoke: a massive land incursion that will distract from the Palestinian civil war.... Hamas is to blame for both of the wars it insists on fighting, against Fatah and against Israel. If Hamas had decided, after its election victory and the complete Israeli withdrawal from Gaza, to focus on ending corruption and improving the Palestinian standard of life, the situation in Gaza would by now have been relatively peaceful and much improved. Instead, Hamas has chosen the path of endless war. Hamas must be punished for this,

but without doing it any favors.... First, Israel should insist that Egypt cannot be a peace process player while refusing to take effective action to prevent the arming of Hamas.... Israel should advise the UN and EU that their silence is encouraging Hamas's aggression, and that they must signal that there is a diplomatic price to pay, and no reward for, attacking Israel. If these messages to Egypt and the international community bear fruit, further attacks on Israel will be counterproductive, and Hamas will likely have to accommodate its internal foes as well -- all without fighting the war Hamas wants. Supporting moderates against extremists should not just be an empty slogan, but should result in a marked increase in international pressure against Hamas."

### III. "Same Old Story"

Diplomatic correspondent Ben Caspit wrote in the popular, pluralist Maariv (5/17): "Hamas is using Israel as a convenient punching-bag for solving its domestic problems, and -- once again -- the same voices [are being heard], the same scenes [are taking place]: The army, the public, and the news media are trying to rush him into [the Gaza Strip], but he is hanging onto the horns of the security cabinet and refuses. [Ehud Olmert], for a change, is in the right. There is no reason for an invasion of the Gaza Strip at the height of a Palestinian civil war which is unfolding before our eyes. On the other hand, there is the reality. [Former defense minister] Shaul Mofaz said on Wednesday that a continuation of the Israeli policy of restraint is tantamount to a total lack of responsibility.

Hamas is gaining self-confidence and impudence.... Khaled Mashal wants to be chairman of the Palestinian Authority, nothing less. They smell the blood of Fatah in the water, and they do not care whom they kill.... The vision of a regime of armed gangs, chaos and extremist Islam at the gates of Ashkelon is taking shape before our eyes. This is the colossal, grandiose, resounding failure of disengagement. It would have been possible to withdraw from the Gaza Strip by agreement, to give Abu Mazen and Dahlan the withdrawal little by little, to turn them into the heroes of the Palestinian grass roots, and to stabilize the Palestinian political establishment. If this had happened it would be Hamas which was on the run today. It did not happen, through the fault of all of us, and now we are paying the price."

### IV. "The Alternative Plan That Was Not Presented"

Diplomatic correspondent Aluf Benn wrote in Ha'aretz (5/17): "There are four ... alternatives [to an invasion of the Gaza Strip] now on the table: a) A cease-fire in the West Bank..... Israel is refusing [this] out of fear that terror attacks from the West Bank will resume and Hamas and other terror organizations will build up military strength. b) The Dayton Plan.... It is not exactly a diplomatic alternative, but rather a military plan in which someone else fights Hamas instead of the IDF. Israel is opposed, saying that Abbas and Fatah have already lost the battle in Gaza, and that removing the roadblocks in the West Bank will only turn it into Gaza II; c) Talks with Hamas.... Israel rejects this, saying that a 'hudna' [truce] with Hamas would only enable the group to prepare for the next confrontation. d) A meeting with Abbas. This is the policy that Olmert and Foreign Minister Tzipi Livni prefer.... [Still,] Olmert and Livni are unable to explain how contacts with Abbas and his associates will lead to calm in Sderot.... It is difficult to talk about diplomacy as Qassam rockets are being fired at Sderot. But that is precisely the responsibility of the political leadership if it does not wish once again to embark on a war driven by fury and vengeance. Olmert has apparently understood this, and at the cabinet meeting he asked the Foreign Ministry to offer diplomatic solutions as well. It remains to be seen whether he will take them seriously, or if this will only be a cover for the committee investigating the next war."

### V. "If There are Qassam Rockets, There Will be No Electricity"

Gilad Sharon, son of former prime minister Ariel Sharon, wrote in the mass-circulation, pluralist Yediot Aharonot (5/17): "This is a foul form of warfare, modern terrorism, whose rotten teeth are sharp and painful, and that, on the other hand, has no face. There is no actual bank of targets which, if attacked, will put a stop to terrorism.... A blow should be struck that does not take a toll in human lives but is very painful. It would appear that in light of all the limitations described, cutting off the power to the Gaza

Strip in response to terror attacks is necessary. Five minutes of power outage after the first rocket, 15 after the second and half a day after the third. We cannot and do not want to extract every lowly terrorist from his lair, but we know how to flip the power switch.... This way we will neither endanger our soldiers nor risk harming civilians, and the residents of Gaza -- who serve as a mainstay for terrorism -- will pay a very inconvenient but non-lethal price. We should hope that our political echelon will try to adopt a more flexible train of thought and not remain fixated. It is easier to explain power outages in Gaza to the world than to explain a takeover of the Gaza Strip or harm to civilian population."

JONES